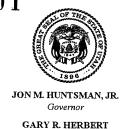
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Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Outging C0070047 #2989

January 7, 2010

Greg Hunt, Agent Carbon Resources, LLC 16577 Columbine Lane Cedaredge, Colorado 81413

Subject: Return of Permit Application, Task # 2989, Carbon Resources, LLC, Kinney #2 Mine,

C/007/0047, Outgoing File

Dear Mr. Hunt:

The Division received your permit application on February 21, 2008. On April 22, 2008, the application was determined deficient and was returned. A revised permit application was submitted on June 13, 2008 and was determined complete on June 24, 2008. At that time, a technical review of your plan was initiated. Deficiencies were found during the technical review and a letter listing the deficiencies was mailed on September 24, 2008.

We have not received a response to these deficiencies. Review of new mine permit applications may not exceed one year (R645-300-131-113). Therefore, we are returning the permit application submitted in June of 2008.

If you choose to resubmit the permit application, an entire application will need to be submitted and the permit process will start over including the requirement to conduct an administrative completeness review.

We look forward to working with you at such time as you wish to proceed with the permitting process. Please contact me at (801) 538-5325 with your questions.

Sincerely,

Daron R. Haddock

Coal Program Manager

DRH/sqs
Enclosure
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Haddock